

**WORKFORCE DEVELOPMENT DEPARTMENT[871]**

**Notice of Intended Action**

**Proposing rule making related to overpayment of benefits and providing an opportunity for public comment**

The Workforce Development Department hereby proposes to amend Chapter 25, “Benefit Payment Control,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 96.11.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 96.

*Purpose and Summary*

These proposed amendments update Department policies for collecting and recovering overpayment balances from claimants who have received benefits to which they were not entitled. Adding the ability to pay by credit card and specifying that the second notice should be a demand letter rather than another billing statement would assist the Department in recovering these balances and restoring them to the unemployment trust fund.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

*Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on October 30, 2018. Comments should be directed to:

David Steen  
Iowa Department of Workforce Development  
1000 East Grand Avenue  
Des Moines, Iowa 50319-0209  
Email: [david.steen@iwd.gov](mailto:david.steen@iwd.gov)

*Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental

subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend paragraph **25.7(6)“c,”** introductory paragraph, as follows:

*c.* If a claimant fails to respond to the ~~first~~ statement of overpayment, a ~~second-statement demand letter~~ shall be sent 30 days later. The ~~second-statement demand letter~~ notifies the claimant that full repayment must be made. If the claimant cannot make full repayment, the department will consider a monthly repayment agreement. Monthly amounts based on the minimum repayment agreement schedule below will be printed on the ~~second-billing demand letter~~. The first repayment is expected 10 days from the date of the ~~second-repayment-statement demand letter~~ and the additional repayments every 30 days thereafter until the debt is paid in full. The department reserves the right to accept or reject any proposed repayment agreement. The following minimum repayment agreement is acceptable to the department.

ITEM 2. Amend paragraph **25.7(6)“d”** as follows:

*d.* If a claimant fails to respond to the ~~second-repayment~~ statement of overpayment, a ~~third-notice demand letter~~ shall be sent in approximately 30 days. ~~The department has the option to send a notice which allows the claimant another 10 days to make full repayment of the indebtedness or a partial payment with an acceptable signed repayment agreement to prevent further collection action by the department, or the department may send a lien warning letter as the third billing notice. This warning gives 10 days to make full payment which will prevent lien filing.~~ The department may proceed with any appropriate lien or civil action to collect the debt, which would include, but not be limited to, a judgment in a court having jurisdiction over the matter. The same type of action may be pursued by the department in those cases where a claimant defaults on a repayment schedule.

ITEM 3. Amend paragraph **25.8(1)“a”** as follows:

*a.* The department shall mail a first statement of overpayment to the claimant's last-known address. This statement will request full repayment in the form of a negotiable check, money order, credit card payment, or bank draft payable to the Department of Workforce Development.

ITEM 4. Amend paragraph **25.8(1)“b”** as follows:

*b.* If a claimant fails to respond to the first statement of overpayment, a ~~second-statement demand letter~~ shall be sent 30 days later. The ~~second-statement demand letter~~ notifies the claimant that full repayment must be made. If the claimant cannot make full repayment, the department will consider a monthly repayment agreement.